

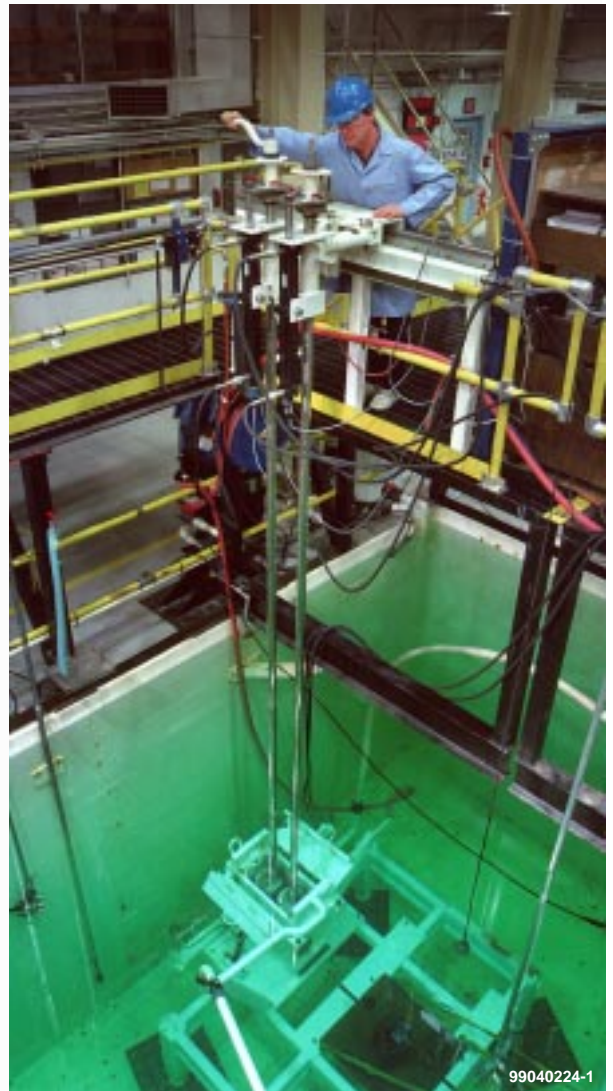


"We're Reducing Risks"

What the SNF Project needs to be successful

We have a lot to do and must stay on track. To meet our project schedule, we must:

- ◆ Complete K West Basin Cask Facility Modifications (February 2000)
- ◆ **Initiate Fuel Removal in the K West Basin** (November 2000)
 - Complete by April 2003
- ◆ Initiate Fuel Removal in the K East Basin (November 2001)
 - Complete by December 2003
- ◆ Initiate and complete several milestones associated with K Basins water and sludge treatment and removal (2004-2005)
- ◆ Complete many safety documents and other project documents (ongoing 1999-2004)

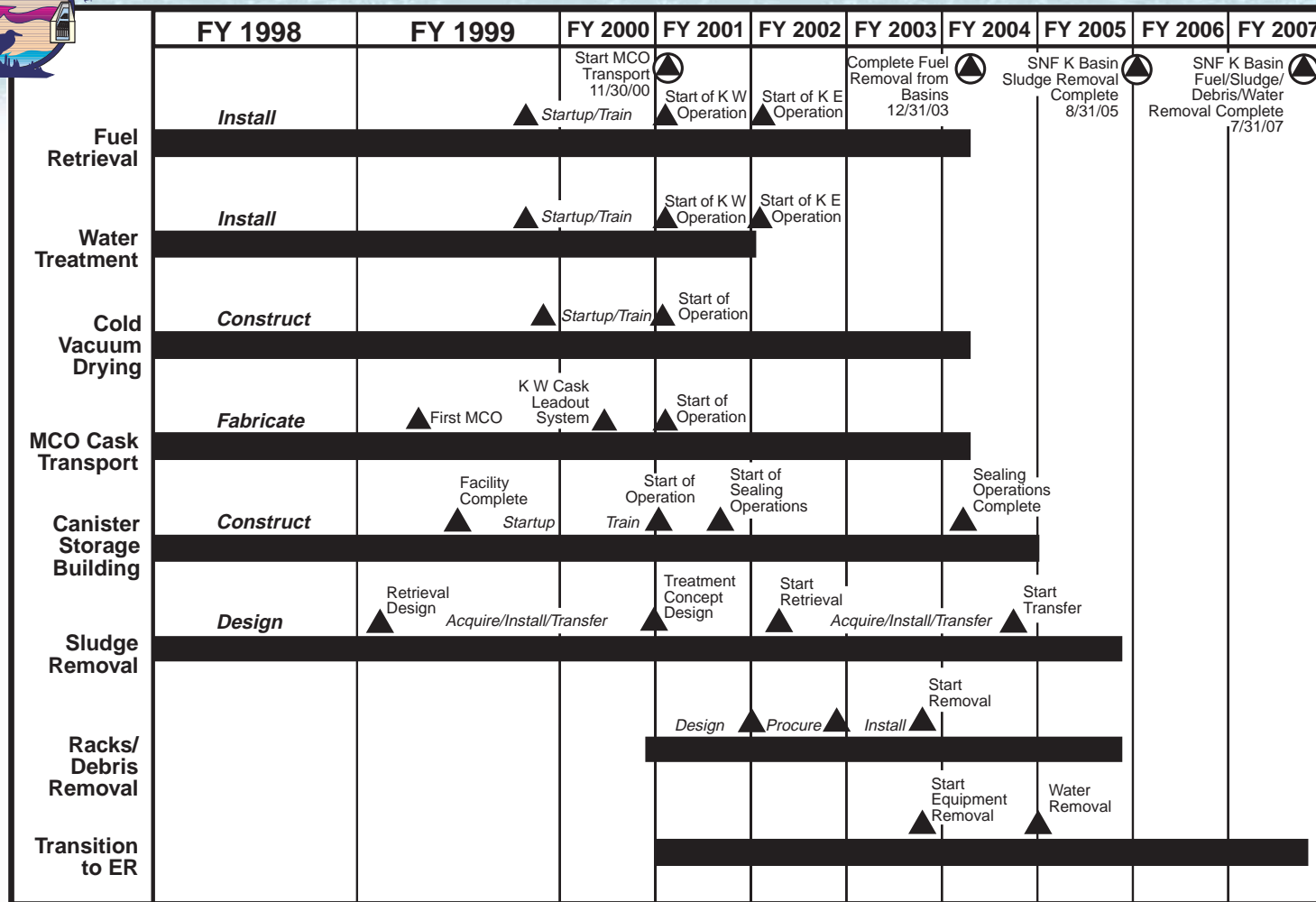


*Fuel canister
decapper system
in laboratory
testing, 1998*

99040224-1



Spent Nuclear Fuel Project Summary Schedule



* FY = Fiscal Year (October 1 — September 30 each year)



"We're Reducing Risks"

What the SNF Project needs to be successful (continued)

A recent DOE review of the SNF Project identified five major risks to SNF Project success:

1. **Safety documentation** (Safety Analysis reports)
Reviews are long and slow
 - DOE and SNF Project contractor personnel are collaborating to speed reviews
2. **Transitions to Operations**
Expected to be difficult because the SNF Project systems are un ique
 - DOE and SNF Project contractor personnel are working to train operators and test equipment early
3. **Organizational changes**
Changing project leaders could disrupt and slow the work
 - Current management team is strong and will be retained
 - Acting DOE-RL Project Director has been made permanent



Unique equipment such as the MCO Handling Machine (shown during 1999 installation) will be used in SNF Project operations



"We're Reducing Risks"

What the SNF Project needs to be successful (continued)

4. Quality Assurance Standards for fuel baskets and MCOs

Uncertainty or disagreement about quality standards could delay fabrication

- DOE and SNF Project contractor personnel have worked to resolve the standards and give clear direction to companies making the baskets and MCOs
- Fabrication has begun

5. Post-2000 risks

SNF Project systems could develop unforeseen problems because they are first-of-a-kind

- SNF Project is increasing early testing of systems to strengthen reliability of equipment
- SNF Project has built in backup systems where risks are highest

***SUCCESS IS A TEAM EFFORT – OUR TEAM
IS WORKING TO BE SUCCESSFUL***



Once the SNF project succeeds, fuel will be safely stored in the Canister Storage Building, and will need only minimal surveillance.